

Agency Activity Inventory by Agency

Appropriation Period: 2005-07 Activity Version: Governor Gregoire's 05-07 Proposal

Agency: 107 - Wash State Health Care Authority

Administrative Activity

This activity consists of the major functions that support the other activities: management of the organization; communication with clients and other stakeholders; accounting and finance; human resources management; information services support; agency medical director; and building management and safety issues. In addition, this activity provides the core administrative support for the Basic Health Plan (BHP), Washington State Health Insurance Pool (WSHIP), and Health Care Tax Credit (HCTC). (Health Services Account-State; State Health Care Authority Administrative Account-State; General Fund-Federal)

Statewide Result Area: Improve the health of Washington citizens

Category: Provide access to appropriate health care

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$12,982,000	\$0	\$12,982,000	83.6	\$12,477,000	\$0	\$12,477,000	83.6

Expected Results:

This activity includes Program Support, which provides oversight and support of other HCA programs. It also includes core administrative support for BHP, WSHIP, and HCTC.

Outcome Measure: Percentage of Basic Health & Public Employees Benefit Board customer service telephone calls answered within 5 minutes.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
87.4%	43.2%	73.2%	73%	73%	73%

Output Measure: Percentage of Basic Health clients recertified to confirm membership eligibility.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
47.5%	100%	75.8%	100%	100%	100%

During FY02, a statistically valid sampling method was used. Beginning in FY03, 100% of the eligible accounts were recertified as the result of a change in the selection process. Although recertifications were at 100% for most of FY04, the percentage dropped in the second quarter because of the anticipated October 2003 start date for the new insurance system software and the need to prepare for it.

Community Health Services

The Health Care Authority (HCA) funds community health clinics through a direct grant program to promote and ensure access to medical and dental care for the under-insured, uninsured, and migrant populations. Funding is further targeted to provide services to those health clinic patients who are below 200 percent of poverty level, and to serve as the state's final safety net for low-income individuals. (Health Services Account-State)

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FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$12,054,000	\$0	\$12,054,000	5.1	\$12,054,000	\$0	\$12,054,000	5.1

Expected Results:

To serve patients in community clinics, who have no other source of health care insurance.

Output Measure: Number of medical customers and dental customers served through clinics with Community Health Services grant funds.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
162,857	180,559	200,376	200,376	206,387	212,579

CHS provides about 10% of the cost of direct clinic services to sliding fee patients. Other funding is provided by private foundations and other government grants, some of which require matching funds. Among other factors, utilization numbers are affected by the availability of providers, gain or loss of one-time funding, and fluctuations in Basic Health enrollment. The figures cited are the number of medical customers and dental customers and could contain duplicated counts.

Output Measure: Number of Community Health Clinics with onsite monitoring to assess accuracy of clinic information as reported for funding and eligibility.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
16	15	22	34	37	39

Community Health Clinics offer medical and dental services to low-income clients.

Prescription Drug Program

This activity provides coordination for the three state agencies that engage in major prescription drug purchasing: the Department of Social and Health Services (Medical Assistance Administration), the Health Care Authority, and the Department of Labor and Industries. This activity includes the development and maintenance of a preferred drug list and consolidated purchasing where possible. Savings will be gained by purchasing drugs that are proven to be the most cost-effective. Also, funding is provided for education and outreach for people who lack prescription drug coverage, so that they can learn about and access programs that offer free or discounted prescription drugs, and for a senior discount prescription drug program. (State Health Care Authority Administrative Account-State, Health Services Account-State, General Fund-Federal, Accident and Medical Aid Account)

Statewide Result Area: Improve the health of Washington citizens

Category: Provide access to appropriate health care

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,824,000	\$0	\$1,824,000	7.0	\$1,535,000	\$0	\$1,535,000	9.0

Expected Results:

Results include implementation of the following: development and maintenance of a preferred drug list for state agency prescription drug purchasing; funding for outreach and education so those who don't have prescription drug coverage can learn about and access programs that offer free or discounted prescription drugs; and a senior discount prescription drug program.

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Output Measure: Average monthly enrollment in Senior Prescription Drug Discount Program.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
0	0	0	250	250	250

The drug discount program was implemented in July 2004.

Health Care Planning

The Health Care Authority engages in health care planning by conducting purchasing and policy studies, surveys, evaluations, impact analyses, and planning. This includes the planning and coordination of the annual health care procurement for the Basic Health Program and for public employees and retirees. (Health Services Account-State, General Fund-Federal)

Statewide Result Area: Improve the health of Washington citizens

Category: Provide access to appropriate health care

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,150,000	\$0	\$1,150,000	9.0	\$1,223,000	\$0	\$1,223,000	9.0

Expected Results:

Coordinate annual health care procurements for the Public Employees Benefit Board (PEBB) and BHP, perform a Basic Health survey, support the state employee collective bargaining process, and research and evaluate effective health care purchasing strategies.

Outcome Measure: Average premium increase from prior calendar year for all Basic Health members.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
10.2%	2.6%	(7.9)%	9.1%	8.7%	8.4%

The premium increases are reported on a calendar year basis, not a fiscal year basis. The 2003 number reflects the change to regionally-based rates. The 2004 number reflects a legislatively directed reduction in benefit value.

Outcome Measure: Average premium increase from prior calendar year for all Public Employees' Benefit non-Medicare members.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
10.2%	10.4%	10.1%	11.1%	11.1%	11.1%

The premium increases are reported on a calendar year basis, not a fiscal year basis. The FY05 estimate is updated for CY 2005 procurement results. Note that the budget estimate for CY05 premium increase was 15.3%. Estimates for 06-07 are per HCA's contracted actuary, Mercer HR.

Health Insurance - Adults between 100-200% of poverty level

The Basic Health Plan provides a basic health insurance package for adults who are otherwise uninsured and whose income is between 100 percent and 200 percent of the federal poverty level. The state offers reduced rates for low-income Washington residents. Enrollees also pay portions of the premium costs based on income level and family size. (Health Services Account-State, Basic Health Plan Trust Account-Nonappropriated, General Fund-Federal)

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Statewide Result Area: Improve the health of Washington citizens

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FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$103,343,000	\$0	\$103,343,000	41.1	\$111,324,000	\$0	\$111,324,000	41.1

Expected Results:

Provide access to Basic Health coverage to adults with incomes between 100 percent and 200 percent of the federal poverty level.

Output Measure: Average monthly enrollment in subsidized Basic Health Plan by adults under 200% of the federal poverty level

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
0	0	37,951	37,653	37,579	37,579

Health Insurance - Adults below 100% of poverty level

The Basic Health Plan provides a basic health insurance package for adults who are otherwise uninsured and whose family income falls under the federal poverty level. The state offers reduced rates for low-income Washington residents. Enrollees also pay portions of the premium costs based on income level and family size. (Health Services Account-State, Basic Health Plan Trust Account-Nonappropriated, General Fund-Federal)

Statewide Result Area: Improve the health of Washington citizens

Category: Provide access to appropriate health care

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$125,400,000	\$0	\$125,400,000	46.8	\$136,726,000	\$0	\$136,726,000	46.8

Expected Results:

Provide access to basic health coverage to adults below the federal poverty level.

Output Measure: Average monthly enrollment in subsidized Basic Health Plan by adults under the Federal Poverty Level.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
0	0	47,844	45,520	44,355	44,355

Health Insurance - Children between 100-200% of poverty level

The Basic Health Plan provides a basic health insurance package for children who are otherwise uninsured and whose family income is between 100 percent and 200 percent of the federal poverty level. The state offers reduced rates for low-income Washington residents. Enrollees also pay portions of the premium costs based on income level and family size. (Health Services Account-State, Basic Health Plan Trust Account-Nonappropriated, General Fund-Federal)

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Statewide Result Area: Improve the health of Washington citizens

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FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$6,179,000	\$0	\$6,179,000	6.5	\$6,591,000	\$0	\$6,591,000	6.5

Expected Results:

Provide access to basic health coverage to children whose family income falls between 100 percent and 200 percent of the federal poverty level.

Output Measure: Average monthly enrollment in subsidized Basic Health Plan by children under 200% of the Federal Poverty Level .

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
0	0	6,065	6,205	6,126	6,126

Health Insurance - Children below 100% of poverty level

The Basic Health Plan provides a basic health insurance package for children who are otherwise uninsured and whose family income falls below the federal poverty level. The state offers reduced rates for low-income Washington residents. Enrollees also pay portions of the premium costs based on income level and family size. (Health Services Account-State, Basic Health Plan Trust Account-Nonappropriated, General Fund-Federal)

Statewide Result Area: Improve the health of Washington citizens

Category: Provide access to appropriate health care

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$11,917,000	\$0	\$11,917,000	12.6	\$12,783,000	\$0	\$12,783,000	12.6

Expected Results:

Provide access to basic health coverage to children whose family income falls below the federal poverty level.

Output Measure: Average monthly enrollment in subsidized Basic Health Plan by children under the Federal Poverty Level.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
0	0	10,373	10,622	11,940	11,940

Public Employee Benefits

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The Health Care Authority's Public Employees Benefits Board (PEBB) was created by the 1988 Legislature to develop state employee benefit plans, study matters connected with the provision of these benefits, and encourage cost containment. The PEBB program provides health, life, long-term disability (LTD), accidental death and dismemberment, long-term care, and auto and homeowners' insurance benefits for Washington State and higher education active employees, dependents, and retirees, as well as active and retired employees of participating public school districts, Educational Service Districts (K-12), and political subdivisions. PEBB offers members several managed care health plans and the Uniform Medical Plan, a self-insured, preferred provider plan. In addition, three dental plans (two managed care and the Uniform Dental Plan) are offered. (Health Care Authority Administrative Account-State)

Statewide Result Area: Improve the health of Washington citizens

Category: Provide access to appropriate health care

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$4,936,000	\$0	\$4,936,000	47.4	\$4,069,000	\$0	\$4,069,000	45.9

Expected Results:

Oversee and provide access to insurance for health and dental care, life, and long-term disability for public employees, retirees, and their families. This activity also contributes to the Average Premium Increase measure listed with the Health Care Planning Activity.

Efficiency Measure: Maintain the percentage of Public Employees' Benefits customer service calls that are answered within five minutes.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
84%	82.1%	77.8%	75%	77%	77%

Uniform Dental Plan

The Uniform Dental Plan (UDP) is a preferred provider organization administered by Washington Dental Services (WDS) on behalf of the Public Employees Benefits Board (PEBB). WDS provides enrollment services, claims processing, and customer service for enrollees in the Uniform Dental Plan. (Uniform Dental Plan Benefits Administration Account-Nonappropriated)

Statewide Result Area: Improve the health of Washington citizens

Category: Provide access to appropriate health care

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$4,743,000	\$0	\$4,743,000	0.0	\$4,743,000	\$0	\$4,743,000	0.0

Expected Results:

Administer PEBB's preferred provider dental network, which provides coverage to active and retiree subscribers and their families.

Uniform Medical Plan

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The Uniform Medical Plan (UMP) is a self-insured, preferred provider medical plan which is offered to Public Employees Benefit Board (PEBB) enrollees, along with contracted managed care plans. It currently has the largest enrollment among the PEBB medical plans. Coverage is available throughout Washington State and worldwide. UMP also administers UMP Neighborhood, a limited-network pilot product offering lower premiums for choosing cost-effective health care providers. Nonappropriated funds from the UMP Benefits Administration Account support contracts with a third party administrator and pharmacy benefits manager for claims processing, pharmacy network management, customer service for both enrollees and providers, medical review, first level appeals, and case management. Other benefits administration costs include contracted data management systems, access fees for alternative care and out-of-state provider networks, and printing and postage for enrollee communications. Funds from the Health Care Authority Administrative Account support staff and related costs needed for management of the UMP's provider network, including provider credentialing and maintenance of contracts with approximately 16,000 health care providers; development of provider fee schedules and reimbursement policies; leadership of clinical programs and decisions on second-level appeals; implementation of the Patients' Bill of Rights, including quality improvement and utilization management programs based on national standards; provider communications such as newsletters and billing manuals; oversight of claims administration contracts and other vendors; and overall plan administration. (Health Care Authority Administrative Account-State, Uniform Medical Plan Benefits Administration Account-Nonappropriated)

Statewide Result Area: Improve the health of Washington citizens

Category: Provide access to appropriate health care

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$17,946,000	\$0	\$17,946,000	26.6	\$17,862,000	\$0	\$17,862,000	26.6

Expected Results:

Contracted benefits administration for the Uniform Medical Plan for active and retiree subscribers, and their families. This activity also contributes to the Average Premium Increase measure listed with the Health Care Planning Activity.

Outcome Measure: The annual increase in Uniform Medical Plan (UMP) health care costs due to changes in utilization, mix, and price of services. The measure is a major driver of changes in enrollee premium costs for UMP coverage.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
14%	14.5%	13.5%	15.8%	15.3%	15.3%

The percentages are based on a calendar year comparison rather than fiscal years. The 2004 percentage will be adjusted when current figures are available. Estimates for 06-07 are per trend analysis from HCA's contracted actuary, Mercer HR.

Insurance Safety Net

As part of this program, subsidies are provided to eligible Washington State Health Insurance Pool (WSHIP) members. As directed in state law (RCW 70.47), the program provides funding to reduce the cost of high-risk pool insurance for individuals whose income is less than 300 percent of the federal poverty level, who are between 50 and 64 years old, and who have been denied individual health insurance. For the 2005-07 Biennium, \$62,000 is budgeted for WSHIP grants, and \$2,433,395 is budgeted for the Health Care Tax Credit (HCTC). (Health Services Account-State)

Beginning January 2005, the HCTC part of this program provides health care coverage for certain workers (and members of their families) who lose their jobs due to the effects of international trade. Their eligibility is determined by the federal government under the Federal Trade Act of 2002 (NAFTA). The federal government will subsidize the individual's health insurance at 65 percent of the total premium, and the individual will pay the balance. There is no cost to the state. (Basic Health Plan Subscription Account-State)

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FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,410,000	\$0	\$1,410,000	6.5	\$1,871,000	\$0	\$1,871,000	0.1

Expected Results:

Coordinate with the Office of the Insurance Commissioner to provide subsidies to eligible applicants. There are currently 27 people enrolled in the WSHIP program. Also, operate the state HCTC program for eligible applicants.

Output Measure: Average monthly enrollment of Health Care Tax Credit (HCTC) population in non-subsidized Basic Health Plan

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
0	0	0	100	300	800

Compensation Cost Adjustment

This item reflects proposed compensation and benefit cost adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.

Statewide Result Area: Improve the ability of State Government to achieve its results efficiently and effectively

Category: Human resources support for government agencies

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$497,000	\$0	\$497,000	0.0	\$500,000	\$0	\$500,000	0.0

Middle Management Reduction

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount. These savings will be assigned to the appropriate activities after the budget is enacted.

Statewide Result Area: Improve the ability of State Government to achieve its results efficiently and effectively

Category: Human resources support for government agencies

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$(106,000)	\$0	\$(106,000)	(1.9)	\$(306,000)	\$0	\$(306,000)	(5.5)